

Message Text

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PAGE 01 NEW DE 01706 040927Z

46

ACTION OPIC-12

INFO OCT-01 NEA-11 ISO-00 EB-11 AID-20 TRSE-00 /055 W

----- 053505

R 040800Z FEB 74

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 9474

LIMITED OFFICIAL USE NEW DELHI 1706

PASS TO OPIC

E.O. 11652: N/A

TAGS: EAID

SUBJ: ZUARI AGRO CHEMICALS

REF: NIELSON-BAUGHMAN LETTER OF DECEMBER 17, 1973

1. WE HAVE REVIEWED ZUARI YEAR-END STATEMENTS AND PROJECTIONS, AND BELIEVE UNLIKELY THAT ZUARI CURRENT RATIO WILL REACH ACCEPTABLE LEVELS BY 12-31-74. WE CALCULATE WITH UREA PRODUCTION OF 66 PERCENT CAPACITY CURRENT RATIO AT 12-31-74 WILL BE .503, AT 75 PERCENT .630, AT 90 PERCENT 1.000 AND AT 100 PERCENT 1.263. THESE CALCULATIONS DO NOT INCLUDE OVERRUN COMMITMENT.

2. IN ADDITION, UNCERTAINTY AS TO DELIVERY OF RAW MATERIALS AND PRICE OF SAME, AS WELL AS CURRENT CREDIT SQUEEZE IMPOSED BY RESERVE BANK OF INDIA MAY WELL PRODUCE ADDITIONAL ADVERSE EFFECTS ON ZAURI FINANCIAL CONDITION.

3. THEREFORE WE RECOMMEND THAT RUPEE OVERRUN COMMITMENT BE CALLED, PREFERABLY BY LENDERS COLLECTIVELY RATHER THAN OPIC INDIVIDUALLY. YOU ARE AWARE, OF COURSE, THAT RELATIVELY SMALL AMOUNT OF OVERRUN COMMITMENT (APPROX. RUPEES EIGHT MILLION AT CURRENT RATE) WILL NOT SIGNIFICANTLY IMPROVE ZUARI FINANCIAL PICTURE OR CURRENT RATIO, BUT WILL, NEVERTHELESS, BE OF SOME ASSISTANCE.

4. OUR DETAILED CALCULATIONS AND PROJECTIONS POUCHED TODAY.

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DECONTROL F
GLOWING 2-1-75
SCHNEIDER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CHEMICAL INDUSTRY
Control Number: n/a
Copy: SINGLE
Draft Date: 04 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974NEWDE01706
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740258/aaaaccfb.tel
Line Count: 64
Locator: TEXT ON-LINE
Office: ACTION OPIC
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: NIELSON-BAUGHMAN LETTER OF DECEMBER, 17, 1973
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 15 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15-Aug-2002 by worrelsw>; APPROVED <04-Sep-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ZUARI AGRO CHEMICALS
TAGS: EAID, IN, ZUARI
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005